

# **Request for Proposal**

## **Application Change Management – SMART**

November 2019



***SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO***

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## School Employees Retirement System of Ohio

**I. INTRODUCTION**

The School Employees Retirement System of Ohio's (SERS) Internal Audit Department is requesting proposals from vendors to perform a review of key processes that involve application change management to the SERS Member and Retiree Tracking (SMART) system. SMART is the primary business system for SERS staff that is used for managing and processing member and retiree information.

**II. BACKGROUND**

SERS is a statewide defined benefit retirement system for non-certificated persons employed by the public schools within the state's cities, villages and counties, as well as local districts, vocational and technical schools, community colleges, and The University of Akron. SERS provides service retirement, disability and survivor benefits, and access to health care coverage for benefit recipients and their dependents. General administration and management of the plan is vested in the Retirement Board established under [Chapter 3309](#) of the Ohio Revised Code.

SERS' Information Technology (IT) Department develops, follows, and refines processes to ensure that changes made to the SMART system do not disrupt SERS' business functions. Technical testing occurs to ensure SMART is functioning as desired and interacting well with other computers and systems.

The IT Operations section within the IT Department routinely changes computers and related technology systems to meet the needs of SERS' business, and to stay current with technological advances. The process for managing changes to SMART typically follow a standard process but may vary based upon the urgency or change requested.

**Change Advisory Board (CAB)**

Governance for SMART change requests is managed by the CAB team which consists of key user department leadership and IT personnel. Bi-weekly meetings occur to discuss and prioritize SMART submissions (incidents, problems & requests), resource availability, and timelines for the organization.

Composition:

1. Key User Leadership (Member Services, Health Care, Finance)
2. IT Leadership (Assistant Director, Development Manager & BA/QA Manager)

**Service Desk System**

SERS uses an automated system for managing change requests (ServiceNow). When the IT Service Desk or an IT staff member receives a request for a change, the Service Desk opens a ticket and assigns it to the appropriate IT staff member for work.

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**Change Management Process**

Normal changes include bug fixes, functional changes, and enhancements. Normal changes are primarily for SMART code changes and average about 25/month during 2019. For a normal change, the following steps typically occur:

1. A business partner (BP) contacts the service desk to open a ticket. The service desk creates the ticket (Incident, Problem, or Request) and assigns it to the Business Analyst (BA) team.
2. The BA manager assigns the ticket based on area of BA coverage.
3. The BA analyzes the ticket and updates a ServiceNow Ticket Document (SNTD) and the appropriate SMART use case documentation.
4. The BA assigns the ticket to the development manager and holds a formal review session.
5. Depending on the priority and due date, the ticket usually goes before the CAB team for prioritization.
6. The CAB team reviews all open tickets and selects a target release month for desired tickets. The CAB team generally is looking 3-4 months ahead of development.
7. As a target release approaches, the CAB team will prioritize some of the tickets that are targeted for that month.
8. The development manager will assign a ticket to a developer.
9. The developer will review the ticket, design the solution, and implement code or configuration changes in their development environment.
10. The developer will unit test their changes and once ready, they will hold a demo review session to show the BP, BA, and tester their change(s).
11. If the BP accepts, then the ticket is assigned to the QA team and is ready for system testing.
12. The development coordinator builds the appropriate code based on the changes and deploys it to the SysTest and the user acceptance test (UAT) environments.
13. The QA team tests the changes for the ticket in SysTest. Any issues discovered, the ticket is assigned back to the developer for correction.
14. Once the ticket passes SysTest, it is ready for UAT. Note, UAT is often done in parallel with and sometimes instead of SysTest.
15. The BP will perform UAT on the ticket. Any issues discovered, the ticket is assigned back to the developer.
16. Once the BP completes UAT, they accept the ticket and it is then ready for deployment.
17. Tickets marked as ready for deployment must be approved by the assistant director. Or, in his absence, the development or BA/QA manager.
18. On the designated release evening, the development coordinator will build the code and deploy it to the production environment. Immediately after deployment, the QA team executes an automated smoke test suite to validate that the deployment was successful and that SMART is operational.
19. The ticket is then closed.

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Emergency changes, sometimes referred to as Out of Cycle Changes, are occasionally needed to remediate large-scale issues that have a major impact on production. During 2019, less than 5 emergency changes have been deployed. Data correction changes are also needed regularly to correct issues related to data inconsistencies. During 2019, data correction changes typically averaged 31/month. In these instances there are fewer steps than described above, however there is closer scrutiny and supervision due to the potential impact.

SERS has incorporated various aspects of the Information Technology Infrastructure Library (ITIL) framework to help guide IT operations, including the application change management lifecycle. The application change management lifecycle is a loosely defined combination of ITIL, Agile, and waterfall methodologies.

**Testing Change Process to SMART System**

SERS' change management processes include testing to validate proper functionality and integration. Separate environments exist for build, test and production. The testing processes vary depending upon the change to be tested.

- a. Break fix situation (priority P1 to P4 Incident): IT conducts unit testing and works with BP to perform acceptance testing prior to deployment.
- b. Normal change (priority P5 Incident, a Problem, or a Request): IT conducts unit testing, system/integration testing and BP performs user acceptance testing.
- c. Data correction changes: IT conducts unit testing and BP performs user acceptance testing.

SERS currently has 180 employees that are centrally located in Columbus and span eight departments – Administrative Services, Executive, Finance, Health Care, Human Resources, IT, Investments, and Member Services. The IT Department has 35 employees with four primary areas involving application change management: applications development (7 employees; two consultant developers), application architect (2 employees), QA and business analysts (8 employees), and database administrators (2 employees). Internal Audit has 1 employee.

A link to SERS' most recent financial report: [SERS Comprehensive Annual Financial Report](#).

**III. SCOPE OF SERVICES**

SERS is seeking a qualified vendor to evaluate the adequacy of its control design and operational effectiveness for the application change management processes involving the SMART application. Control evaluation should include an end-to-end control design evaluation from the SMART change request to the rollout of application changes to SMART.

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The review should include all stages within SMART application changes, such as:

1. Software change requests (enhancements, new features, bug fixes)
2. IT intake review and approval (requirements & specifications)
3. Change Advisory Board (review, estimating change request size, prioritization, backlog management, available IT capacity)
4. Development (code design, build & version control; consultant developer management)
5. Quality Assurance (testing, verification, and approval)
6. User (acceptance testing and approval)
7. Production release management (rollout and installation)
8. Communication (throughout entire process)

Practices should be evaluated in relation to the likelihood and impact of key risks that can impact successful application change management. A key consideration will be to assess SERS' processes and controls relative to similar size organizations. The application change management lifecycle is a loosely defined combination of ITIL, Agile, and waterfall methodologies.

The final report should assess whether gaps exist within SERS' application change management processes. Vendor's review should include prioritized recommendations to help SERS improve its control environment. It is expected that vendor recommendations will be supported with best practice templates or guidance, when appropriate.

In-depth testing of controls is not anticipated in determining SERS' control effectiveness. We expect the vendor to gain an understanding of the current control environment to assess whether controls are properly designed and placed into operation. Evidence gathering via inquiry, observation, walkthrough and/or limited testing would be typical methods to corroborate your assessments. Sharing of control evaluation documents (e.g. risk and control matrices, process flowcharts, etc.) with management and Internal Audit is a requested deliverable of this review.

The vendor will be responsible for determining the individuals to be interviewed and should describe their planned approach within their proposal. SERS will make employees available for interview and provide assistance in scheduling the interviews. This review does not anticipate the involvement of the Retirement Board.

SERS maintains a detailed listing of documented policies and procedures throughout the organization. Updates routinely occur to policies and procedures. As of November 2019, SERS maintained approximately 161 formal policies and procedures. Relevant policies and procedures will be provided upon request. Less formal desk/operating procedures also exist within the IT Department.

SERS will consider only proposals for the services as described above. **Responses submitted for other services will not be considered.**

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**IV. PROPOSAL SUBMISSIONS****A. Intent to Respond**

If the vendor intends to respond to this RFP, a Notice of Intent to do so should be sent to SERS by **November 25, 2019**. The Notice should be sent by email to the SERS contact listed in Paragraph IV.C. below, and contain the vendor's name, its intent to respond, the name of a contact person and the contact person's telephone number and email address. Submitting this Notice will not obligate a vendor to submit a Response nor be a prerequisite for submitting a Response, but will allow SERS to send out any necessary information to interested vendors.

**B. Response Deadline**

The completed Response must be received by **December 16, 2019, 4:00 p.m., Eastern Time**. Responses received after the Response deadline will not be considered.

**C. Delivery**

Contact person for all responses, and communications:

Joe Bell  
Chief Audit Officer  
Internal Audit Department  
School Employees Retirement System  
300 East Broad Street, Suite 100  
Columbus, OH 43215  
[jbelle@ohsers.org](mailto:jbelle@ohsers.org)  
Telephone: 614.222.5892

Please note that Joe Bell will transition to the Chief Risk Officer role within SERS during this engagement. His successor will manage the engagement's conclusion, however, Joe will remain available as needed.

An unbound **original** and **6 copies** of the Response are to be sent by mail or delivery service, as well as an **electronic version** sent to the above contact person. Faxed transmissions are not acceptable and will not be considered.

**D. Response Documents**

**All of the following documents must be submitted together and in the order listed.**

1. A Cover Letter submitting the vendor's Response on the vendor's letterhead signed by at least one individual who is authorized to bind the vendor contractually.
2. The Questionnaire in Appendix A with the question and/or request duplicated in the Response before the answer or response.

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**E. Submitted Responses**

Any Response submitted will become the property of SERS. SERS reserves the right to retain all Responses submitted, and use any information contained in a Response except as otherwise prohibited by law. **All Responses and the contents thereof will be deemed to be a public record** which is open to public inspection after a vendor has been selected and contract has been executed, if any.

**A vendor may include one additional copy of its Response with any proprietary trade secret information redacted and marked as such with a brief written basis as to why it believes the information is protected from disclosure.** In the event that SERS receives a public records request to which, in SERS' sole discretion, any of a vendor's materials are responsive, SERS may release the vendor's redacted materials, or in the event no redacted materials are submitted, the vendor's unredacted materials without notice to the vendor. In the event any of the vendor's redactions are challenged, the vendor shall have sole responsibility to defend such redactions at its cost and expense. SERS will not institute any legal action to defend any of vendor's redactions, but will notify the vendor of such challenges.

**F. Communications with SERS**

Vendors which intend to submit a Response should not contact any member of SERS Staff or members of the Retirement Board. An exception to this rule applies to vendors who currently do business with SERS, but any contact made by such vendor(s) with persons should be limited to that business, and should not relate to this RFP.

**G. Questions Relating to this RFP**

All questions concerning this RFP must be received in writing by email by the Contact person by **December 4, 2019, 4:00 p.m., Eastern Time**. Answers to only emailed questions received by this deadline will be available to all vendors by a posting at [www.ohsers.org](http://www.ohsers.org). Questions submitted after 4 p.m. on **December 4, 2019** or other than by email will not be considered.

**V. SELECTION PROCESS**

SERS staff will evaluate all timely and complete Responses. SERS reserves the right to request that any Response be clarified or supplemented. Proposals will be evaluated based on the following criteria:

- Understanding of the project (10%)
- Expertise and experience of vendor's team (25%)
- Soundness of the approach and quality of the work plan (15%)
- Vendor qualifications (20%)
- Cost (30%)



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Proposals will be evaluated, based on the criteria listed above. During the evaluation process, SERS may, in its sole discretion, request any or all vendors to make oral presentations. Such presentations will provide vendors with an opportunity to answer questions regarding the vendor's proposal. If SERS requests oral presentations, not all vendors may be asked to present, and any vendors not selected to make oral presentations will be notified that they are no longer under consideration.

If SERS requests oral presentations, SERS will re-score proposals following the presentations and will make any final decision to award the contract. After final evaluation of the proposals, SERS may determine a list of up to three finalists, and may commence sequential negotiations on any aspects of the proposals SERS deems appropriate, beginning with the highest-scoring finalist. If SERS does not reach agreement with the highest scoring finalist within seven calendar days, or if in the opinion of SERS negotiations with that finalist reach an impasse, SERS may decide not to award the contract or may begin negotiations with the second-highest scoring finalist. SERS may choose to continue such negotiations with subsequent finalists on the same basis until a contract is negotiated, no other finalists remain, or SERS decides not to award the contract pursuant to this RFP.

A final summary presentation slide deck should be prepared for the Audit Committee meeting on June 17, 2020. This may involve an in person presentation be provided by the selected vendor.

## VI. TENTATIVE TIME TABLE

The following is the tentative time schedule for SERS' search for vendors to provide the requested services. All dates are subject to modification by SERS without prior notice.

<b>Issuance of RFP:</b>	November 18, 2019
<b>Intent to Respond</b>	November 25, 2019
<b>Question Deadline:</b>	December 4, 2019, 4:00 p.m. EST
<b>Response to Written Questions:</b>	December 9, 2019
<b>RFP Response Deadline:</b>	December 16, 2019, 4:00 p.m. EST
<b>Projected Commencement:</b>	January 13, 2020
<b>Report Draft:</b>	April 24, 2020
<b>Audit Committee Presentation:</b>	June 17, 2020, 2:30 p.m. EST

The vendor selected must enter into a contract.

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**VII. QUESTIONNAIRE**

Vendors must complete the Questionnaire appearing in Appendix A. Responses to the questions should repeat the question and be answered in order. Limit each response to no more than one-half page.

**VIII. TERMS AND CONDITIONS**

SERS makes no representations or warranties, expressed or implied, as to the accuracy or completeness of the information in the RFP and nothing contained herein is or shall be relied upon as a promise or representation, whether as to the past or the future. The RFP does not purport to contain all of the information that may be required to evaluate the RFP and any recipient hereof should conduct its own independent analysis of SERS and the data contained or referenced herein. SERS does not anticipate updating or otherwise revising the RFP. However, this RFP may be withdrawn, modified, or re-circulated at any time at the sole discretion of SERS.

SERS reserves the right, at its sole discretion and without giving reasons or notice, at any time and in any respect, to alter these procedures, to change and alter any and all criteria, to terminate discussions, to accept or reject any Response, in whole or in part, to negotiate modifications or revisions to a Response and to negotiate with any one or more respondents to the RFP.

SERS is not and will not be under any obligation to accept, review or consider any Response to the RFP, and is not and will not be under any obligation to accept the lowest offer submitted or any offer at all. SERS is not and will not be under any obligation to any recipient of, or any respondent to, the RFP except as expressly stated in any binding agreement ultimately entered into with one or more parties, either as part of this RFP process, or otherwise. Any decision to enter into a binding agreement with a respondent to this RFP is in SERS' sole discretion.

This RFP is not an offer but a request to receive a Response. SERS will consider a Response as an offer to develop an agreement based upon the contents of the Response. Respondents agree that the contents of their Responses are valid for one year from the date of submission. SERS will not be liable for any cost incurred in the preparation of a Response and will not reimburse any respondents for their submission. Expenses related to the production of a Response are the sole responsibility of the respondent.

## **Appendix A**

# **QUESTIONNAIRE**

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Responses to the following questions should repeat the question and be answered in order. Limit each response to no more than one-half page.

**A. Vendor**

1. Provide the vendor's name and the principal office's address, telephone number, and website.
2. Provide the name, address, telephone number, and email address of the vendor's primary contact for this proposal.
3. Describe the vendor's primary business focus.
4. Specify how many years the vendor has been in business.
5. Describe whether the vendor has undergone within the last 18 months or intends to undergo any material change in its structure or ownership?
6. Describe the vendor's relevant qualifications and experience.
7. Describe the level of liability insurance that the vendor carries.
8. Provide at least three (3) references for projects of similar size, scope and business focus that SERS can contact. Include the name and telephone number of the reference who may be contacted and provide a summary description of services performed.
9. Provide a sample contract with your proposal for consideration if you are selected for this engagement, along with a copy of your certificate of insurance. The contract should reflect the specific scope and deliverables of this engagement.

**B. Personnel**

1. Describe the qualifications of the proposed staff by including detailed resumes. For each individual please provide:
  - a. Employee name, title and primary work location
  - b. Proposed position on this engagement (manager, supervisor, officer, etc.)
  - c. The month and year the employee began working for your organization
  - d. Employee work history
  - e. Any relevant certifications and/or training
2. Describe the vendor's bonding process and coverage of employees.
3. Affirm that no staff assigned to work on this project has been convicted of a felony.
4. Affirm that key assigned staff are full-time employees of the vendor.
5. SERS will require the selected vendor to perform all services requested by the RFP, and to obtain SERS' written consent to subcontract any services. If you intend to use subcontractors for any part of the project, for each of the

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vendor's potential subcontractors provide a narrative with the following information:

- a. The proposed subcontractor's (firm) name and address.
  - b. A brief description of the goods or services the subcontractor might provide.
  - c. A statement that vendor acknowledges and agrees that it will remain liable for the provision of any services performed by such subcontractor.
6. Describe your firm's procedures in the event that an employee or subcontractor assigned to this engagement leaves either the firm or the project during the term of the engagement.

**C. Proposed Service**

1. Describe your understanding of the services requested in this RFP and your project management approach specific to this project. Explain why your organization believes it is qualified to undertake the proposed engagement, what is unique in your approach and what value that can provide to SERS.
2. How many evaluations similar to this proposal has your organization completed in the past three years? Describe your successes on similar projects.
3. Can the vendor's staff perform all work on-site at SERS?
4. Can the vendor meet SERS' schedule for project commencement and completion? If not, please explain.
5. Provide a detailed description of how your organization will assess the areas in scope (Section III. Scope of Services). Your description should be specific and thorough and include:
  - a. The audit approach you propose using for this engagement.
  - b. Subject areas that will be included and a brief description of processes within subject areas.
  - c. A brief description of your methodology.
  - d. From your experience, describe the most important elements for successful projects similar to this.
  - e. From your experience, describe the most significant challenges for successful projects similar to this.
6. The proposal should set forth a project plan for delivering the services and deliverables described in this RFP, allowing ample time to review all existing documentation pertaining to the services being procured. Include in the proposal:
  - a. A description of how the vendor will consult with and/or make presentations to SERS staff during the engagement.
  - b. A description of the service management and quality control procedures to be utilized. Describe any special assistance that will be requested from SERS.

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- c. A tentative schedule for performing the services including estimated hours by major task and estimated time SERS personnel will be needed for interviews or process reviews.

**D. Standards of Conduct**

1. Does the vendor have a written code of conduct or set of standards for professional behavior? If so, attach a copy and state how they are monitored and enforced.
2. Does the vendor have a written anti-discrimination policy? If so, attach a copy and state how the policy is monitored and enforced.
3. How does the vendor identify and manage conflicts of interest?
4. Are there any potential conflicts of interest that the vendor would have in providing the requested services to SERS? If yes, explain.
5. List and describe any relationships and/or contacts the vendor or its officers or employees have had with any SERS Retirement Board member and/or staff member within the last 12 months.
6. Has the vendor or any officer or employee given any remuneration or anything of value directly or indirectly to SERS or any of its Retirement Board members, officers, or employees? If yes, identify the recipient and remuneration or thing of value. Additional information on the Ohio ethics law in this area may be found at:  
[http://ethics.ohio.gov/education/factsheets/doing\\_business\\_with\\_retirement\\_systems\\_in\\_ohio.pdf](http://ethics.ohio.gov/education/factsheets/doing_business_with_retirement_systems_in_ohio.pdf).
7. Has the vendor or any officer, principal or employee given any remuneration or anything of value such as a finder's fee, cash solicitation fee, or fee for consulting, lobbying or otherwise, in connection with this RFP? If yes, identify the recipient and remuneration or thing of value.
8. Within the last five (5) years:
  - a. Has the vendor, or any officer or employee of the vendor been a defending party in a legal proceeding before a court related to the provision of services?
  - b. Has the vendor, or any officer or employee been the subject of a governmental regulatory agency inquiry, investigation, or charge?
  - c. Has the vendor submitted a claim to the vendor's liability insurance carrier involving the type of services sought under this RFP?

If yes to any of the above, describe the event and the current status or resolution; include any case citation.

**E. Fees**

1. Please provide a not-to-exceed, fixed-cost price quote for this project, stating the total cost for the project, including any and all travel and reimbursable expenses.